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Approved For Release 2004/08/30 : CIA-RDP81M00980R001800010040-8

The Director of Central Intelligence

Washington, D.C. 20505

OLC #78-0347/B

Resource Management Staff

DCI/ICS 78-1193

16 October 1978

MEMORANDUM FOR: Mr. Robert W. Gambino
Chairman of the DCI Security Committee

VIA:
Chief, Community Security Group
Executive Secretary of the DCI Security Committee

FROM:
Acting Director, Policy Guidance Office

SUBJECT: Input to the DCI's Annual Report

1. Preparation of the DCI's Annual Report for calendar year 1978, due to the President and the Congress by 25 January 1979, is now under way. The DCI has approved a concept for this year's Annual Report which is more selective than last year's, both because this seems more appropriate to a 1978 characterized by attention to key intelligence issues rather than the comprehensive report approach used for 1977 as a year of extensive community restructuring, and also to limit length for a busy reader to a manageable 30-40 pages (last year's ran 80 plus). The DCI has also approved an outline for this year's report (Attachment 1). Part I is designed to allow the DCI to highlight the particular characteristics and emphases of 1978 in intelligence; Part II is intended to air several issues of great importance to him, his key Executive users, and the Congress. The Annual Report will carry a high classification and receive extremely limited distribution.

2. Additionally, in a 15 September 1978 letter from Chairman Boland of the HPSCI to the DCI (Attachment 3), six special subjects are specified for coverage in this year's Annual Report to the President and the Congress. The DCI has agreed in an interim response. Topic 6 request is for "Identification of all unauthorized disclosures of classified information together with damage assessments and steps taken as a result; i.e., administrative, prosecution, etc." We would appreciate your taking the lead in staffing out this particular request to NFIB agencies as appropriate, and integrating their inputs into a single response for the HPSCI. It will probably be appropriate to highlight this topic briefly in the text of the Annual Report, appending your full report to the HPSCI's copy of the Annual Report. The HPSCI staff indicates this arrangement would be satisfactory.

3. You will note that there is considerable, although not total, overlap between this congressional topic of interest and sections 2, Leaks,

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and 3, Other security measures; e.g., implementation of security measures, and in the Security and Counterintelligence Issues section of the DCI's Annual Report outline. We request specific CSG/Security Committee input on these two Annual Report topics.

25X1 4. ☐ With respect to leaks, what we hope to convey in the Annual Report itself is an overview perspective on the nature of the several kinds of security problems resulting in leaks via ex-intelligence authors, discussion of classified data with the media, etc.; their multiple causes; the elusiveness of real remedies; and steps under way to try to control their incidence and seriousness. Key examples from 1978 experience should be cited illustratively, rather than the comprehensive catalogue required for the HPSCI.

25X1 5. ☐ With respect to the related matter of changes in CIA and community security measures, please comment on:

a. how the implementation of the industrial contract security measures recommended in the February 1978 final report of the Task Force on Industrial Contracts and Security is going;

b. reasons for, and results of, the initial implementation phase of new security procedures for control of classified documents entering and exiting buildings under DCI control;

c. work and interim findings of the CIA Security Review Task Force.

25X1 6. ☐ We are asking SA/DCI/CI, to organize input for the Annual Report on sections 1, Espionage, and 4, New directions in the foreign counterintelligence program, of the Security and Counterintelligence Issues section of the Annual Report outline, as well as on the HPSCI task 2, hostile foreign intelligence activities. Obviously this division is somewhat arbitrary; he may well see fit to contact you for input on those matters, or you may wish to volunteer input either through his office or directly.

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25X1 7. is responsible for producing this year's DCI Annual Report. Please identify a principal point of contact for her to work with. We shall need all the overview comments for outline sections E.2. and 3. by COB 6 November, in order to accomplish integrated drafting of the entire Annual Report in November, review in December, and DCI clearance and production in January. If the CIA Security Review Task Force appears likely to meet its 1 December reporting target, interim comment by 6 November with fuller findings the first week in December would be appropriate.

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The comprehensive catalogue of unauthorized disclosures of classified data requested by the HPSCI in task 6 would not, of course, be submitted until early January.

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Attachments:

1. DCI Revised Outline - AR for 1978
2. DCI letter to NFIB principals requesting help on Annual Report
3. Boland letter to DCI (15 Sep w/att & DCI interim reply)

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Distribution: DCI/IC 78-1193

Original & 1 - Chairman, DCI Security Committee w/atts

1 - C/CSG w/atts

1 - OLC w/atts

1 - GC w/atts

1 - SA/DCI/CI w/atts

1 - Assistant for Public Affairs w/atts

1 - DDA/OS w/atts

1 - DDO/C/CI w/atts

1 - EO w/atts

1 - CLLO w/atts

1 - PGO Subject (1978 AR Production/Tasking File) w/atts

1 - PGO Chrono w/atts

1 - RMS Registry w/atts

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DCI/RMS/PGO (16 October 78)

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6 October 1978

DCI REVISED OUTLINE - ANNUAL REPORT FOR 1978

I. 1978 in Intelligence

A. Execution of the E.O. and Other Organizational Questions

1. evolution of the PRC(I); work on user priorities
2. resources: experience in use of DCI's budget authority
3. production
 - a. NFAC's first full year
 - b. DIA
 - c. INR
 - d. DCI substantive committees (EIC, JAEIC, STIC, WSSIC)
4. collection
 - a. status of NITC
 - b. 3 DCI collection committees
5. other management
 - a. DDCI
 - b. NFIB: shifting membership/concerns
6. I&W

B. New or Altered Emphases in Analysis

1. strategic balance: new developments & experience in communicating them
2. proliferating support for arms limitation talks
3. emergence of China as an active world player
4. world petroleum supply

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- 5. substantive support for crises--e.g., Ogaden, Shaba II
(Afghanistan?)
- C. Intelligence and the Congress
 - 1. activities in support of both oversight committees
 - 2. activities in support of other committees
 - 3. charter legislation
- D. Legal and Propriety Issues
- E. Security and Counterintelligence Issues
 - 1. Espionage
 - a. Kampiles
 - b. "moles," etc.
 - c. counterintelligence initiatives
 - 2. Leaks
 - a. Authors
 - b. Others
 - c. Remedies?
 - 3. Other security measures; e.g., implementation of new
industrial security measures
 - 4. New directions in foreign counterintelligence program
 - 1. role of new DCI CI coordinator
 - 2. PRC (CI)
- F. Covert Action - emphasis on mission and programs
- G. Intelligence and the public - new emphases

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H. Major Accomplishments 1978

- a.
- b.
- c.
- d.

II. KEY ISSUES (lead into with NFIP graphics)

The early 1980s budget bow wave and trade-off issues on technical sensors
optical vs. radar imagery upgrade competition: issues, outcome,
rationale;
COMINT/ELINT upgrade needs, appropriate packages
HF modernization

Quality of Analysis and Policy Support

including progress on improving interdisciplinary analysis
collection/production: an appropriate budget balance?

Community ADP

National/Tactical Interface Issues

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CONFIDENTIAL

NATIONAL FOREIGN INTELLIGENCE BOARD

NFIB-6.1/10
2 October 1978

MEMORANDUM FOR THE NATIONAL FOREIGN INTELLIGENCE BOARD

SUBJECT: My Annual Report

I very much appreciated the help that you and your organizations provided a year ago in the preparation of my first report as DCI on the Intelligence Community to the President and the Congress. Preparation of this year's Annual Report is now underway, and I would be grateful if you and your organizations would assist with input and/or review as requested. The staff of my Deputy for Resource Management will be in touch with you shortly on specific needs.

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STANFIELD TURNER
Chairman

(29 September 1978)

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W. MO.
J. MURPHY, ILL.
IN. WIS.
CHARLES ROSE, N.C.
THOMAS L. MAZZOLI, N.J.
NORMAN Y. MINETA, CALIF.
WYCHE FOWLER, JR., GA.

BOB WILSON, CALIF.
JOHN M. ASHBROOK, OHIO
ROBERT MCCLORY, ILL.
J. KENNETH ROBINSON, VA.

THOMAS K. LATIMER, STAFF DIRECTOR
MICHAEL J. O'NEIL, CHIEF COUNSEL

U.S. HOUSE OF REPRESENTATIVES

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PERMANENT SELECT COMMITTEE
ON INTELLIGENCE

WASHINGTON, D.C. 20515

Executive Registry

18-216/4

September 15, 1978

Honorable Stansfield Turner
Director of Central Intelligence
Washington, D.C. 20505

Dear Admiral Turner:

This is in further reference to your letters of March 1 and April 12, 1978 suggesting that the annual reports to be submitted to this Committee concerning intelligence and intelligence-related activities should be consolidated into one report. The structure of the Annual Report which you submit to the President could then be changed to respond to the requirements of reports requested by this Committee.

After careful consideration, the Committee agrees that it would be useful and more efficient for you to continue reporting on the activities of those organizations and programs which are part of the National Foreign Intelligence Program, while leaving to the Department of Defense the responsibility to prepare an additional report on intelligence-related activities, as well as other appropriate comments regarding intelligence activities.

In addition, the Committee recommends more detailed treatment of the intelligence activities of the Department of State and Federal Bureau of Investigation in your next report.

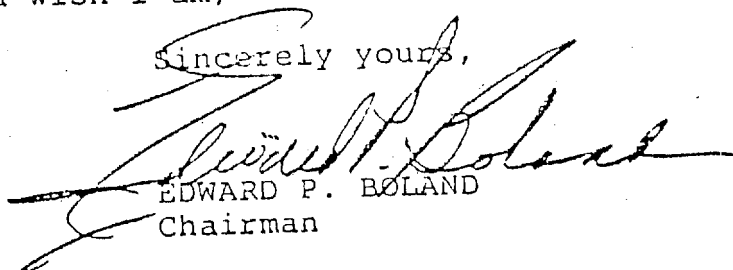
The format used in the 1977 Annual Report is acceptable for 1978 provided the additional information specified in the attachment is included or otherwise appended.

With respect to the Committee's request for an unclassified version of your report, the Committee recognizes it may be necessary to use a different approach and proposes to leave its arrangement to your judgment.

The Committee requests your assistance in providing the Annual Report prior to January 25, 1979.

With every good wish I am,

Sincerely yours,



EDWARD P. BOLAND
Chairman

Attachment

Additional Information
Annual Report to the House Permanent Select Committee
on Intelligence

January 1 - December 31, 1978

Special Subjects

ILLEGIB
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Provide:

1. Specific recommendations for legislation or appropriations to correct problem areas identified in report.

2. A comprehensive statement with specific instances of foreign intelligence activities against the intelligence community organizations and corrective action taken by the FBI, the CIA, NSA and the Military Services.

3. A list of major studies completed or on-going which impact on the National Foreign Intelligence Program budget.

4. All agreements on cooperation between intelligence components of the U.S. Government and foreign governments or elements thereof.

5. All reports from the Attorney General to the President regarding any intelligence activities which raise questions of legality and decisions made or actions taken in response to reports from agencies within the intelligence community forwarded to the Attorney General by the Intelligence Oversight Board.

6. Identification of all unauthorized disclosures of classified information together with damage assessments and steps taken as a result, i.e., administrative, prosecution, etc.

Executive Registry
78-216/44

September 28, 1978

The Honorable Edward P. Boland, Chairman
Permanent Select Committee on Intelligence
U.S. House of Representatives
Washington, D. C. 20515

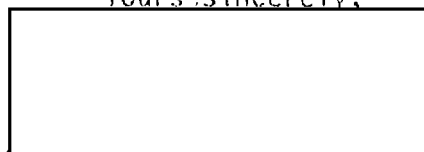
Dear Mr. Chairman:

Your letter of September 15, 1978, is very helpful in clarifying guidance on timing and content of my Annual Report. I will be able to accommodate the topics you specify as wanting included and/or emphasized with one probable exception--agreements on cooperation between intelligence components of the U.S. Government and foreign governments. That does not seem to me an appropriate topic for coverage in an Annual Report; accordingly my Office of Legislative Counsel will be in touch with your Staff shortly about an appropriate separate response to this request.

With respect to the other five special subjects, and the scope and content of the Annual Report generally, members of my Resource Management Staff are in touch with the Committee's Staff Director, Mr. Latimer.

With very best wishes.

Yours sincerely,



STANFELD TURNER

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ROUTING AND RECORD SHEET

APSC1:

SUBJECT: (Optional)

Input to the DCI's Annual Report

FROM:

AD/PGO
BW09 CHB

EXTENSION

NO.

DCI/ICS 78-1193

DATE

16 Oct 1978

25X1

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. OLC
7D49 HQS

2.

3.

4.

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